

House Bill 345
February 3, 2011
Presented by Alan Charles
House Agriculture Committee

Mr. Chairman and committee members, I am Alan Charles, Coordinator of Landowner/Sportsman Relations for Montana Department of Fish, Wildlife & Parks (FWP). I am responsible for managing the Block Management Program, and I am here in opposition of House Bill 345.

FWP appreciates and shares the sponsor's concern that Block Management landowners be fairly compensated. However, FWP must oppose HB345 because of long-term the damage it will cause to the program – specifically, locking into statute payments to landowners based on the Consumer Price Index.

In 1996, the legislature authorized the Department to provide tangible benefits to Block Management landowners to offset the impacts of allowing public hunting access. The legislature authorized the FWP Commission to determine what those tangible benefits would be and how those tangible benefits would be distributed. Those benefits include payment of up to \$11 per hunter day up to a cap of \$12,000 per year. The price paid varies depending on what species and seasons the landowner wants to allow access for. Benefits also include non-monetary items like signs, enforcement, patrollers, hunter coordination, etc.

HB345 focuses on just one small, but influential, part of the benefits package. The proposal seems simple: lock into statute annual changes to the amount paid per hunter day and total amount paid based on the Consumer Price Index. But that seemingly simple change will cripple this important and successful program in a number of ways.

The changes proposed in HB345 would increase total contract costs by at least \$1.5 million annually, yet provides no additional funding for the program. In order to maintain balance in the current program budget, FWP would have to reduce the size of the program by approximately 25%.

That would mean dropping about 300 landowners, resulting in a loss of about 2 million acres and 110,000 hunter days of recreation. Or, it could mean dropping some smaller number of landowners and reducing the benefits and services requested by landowners, like seasonal help, signs, maps, sign-in boxes and increased warden patrol. However, these non-monetary incentives are often the key to a landowner's participation.

HB345 would put into statute a payment amount linked to annual adjustments to the Consumer Price Index (CPI). However, FWP budget authority is not annually adjusted to the CPI, and only a portion of the program revenue has a CPI adjustment tied to it. This would mean that HB345 would lock the program budget into structural imbalance.

HB345 would eliminate current administrative rules for determining program benefits. Yet these administrative rules currently allow landowners to enter into long-term stable contracts based on history of use or other measures. They allow landowners to negotiate ranch-specific contracts that balance payments with restrictions on when or what type of game can be hunted. They allow for systems of payment not based on hunter day payments.

HB345 would eliminate those flexible rules with a statutory one-size-fits-all payment system which changes every year. And this would happen at a time when the program is exceptionally vulnerable following passage of a citizen's initiative that creates budget uncertainty.

Since 1996, FWP has paid over \$51 million in direct compensation to Block Management landowners. During that same time, the Department has provided more than \$15 million in additional benefits and services to those same landowners in the form of signs, maps, seasonal patrollers who help set up, manage, and patrol Block Management Areas, and increased enforcement presence.

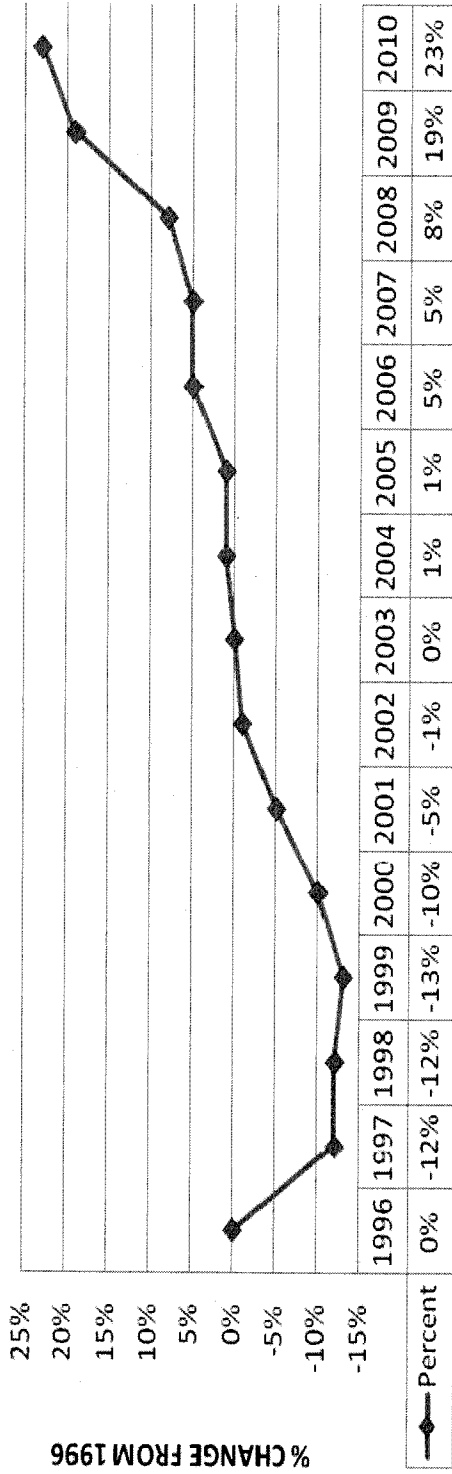
Committee members will note in the handout supplied with FWP's written testimony that the package of benefits provided to landowners in this program has been enhanced significantly over the past 14 years. The average payment paid in 2010 was 23% higher than the average payment paid in 1996, while the services and benefits provided to landowners have also increased and become more valuable.

Block Management maintains high marks from both the hunters and landowners who use the program. In 2010, FWP surveyed all landowners enrolled in Block Management. When asked, "How satisfied were you with the payment you received in 2009?" 79% of respondents said they were satisfied or very satisfied with their payment, while 9% indicated they were dissatisfied. Ninety-two percent of landowners said they were satisfied or very satisfied with the overall program, and 99% indicated they planned to re-enroll.

Despite the best of intentions, HB345 could actually cause significant harm to the very program it seeks to help by imposing unfunded mandates and eliminating the flexibility necessary for the program to adapt to changing conditions.

The Department asks that you consider a "Do Not Pass" vote for HB345.

CHANGES IN BLOCK MANAGEMENT PAYMENTS & BENEFITS (% CHANGE IN PAYMENT FROM 1996-2010)



Avg. Pmt

\$3,126 \$2,744 \$2,754 \$2,734 \$2,810 \$2,979 \$3,093 \$3,130 \$3,166 \$3,167 \$3,289 \$3,279 \$3,361 \$3,715 \$3,838

PAYMENT BENEFITS:

1996 – First year of new program - Enrollment payment \$500.

1997 – Enrollment payment reduced to \$250 due to funding limitations.

1999 – Maximum payment changed from \$8,000 to \$12,000.

2001 – Additional 5% Weed Management Payment authorized.

2009 – Maximum Hunter Day Payment increased from \$10 to \$11, resulting in 9% increased payment for most landowners.

NOTE: Hunter days have increased from 354,896 in 1996 to 486,417 in 2010

OTHER BENEFITS

2004 – Non-resident Landowner qualified for complimentary license AND payment.

2007 – Landowner authorized to designate immediate family member related by blood.

2009 – Landowner authorized to designate immediate farm/ranch employee or immediate family member related by blood or marriage.

1996 – 2010 – Increased services and benefits requested by landowners, including contracted phone reservation systems, improved signs and information kiosks, seasonal staff hired to help set up, manage, and patrol BMA's, and increase game warden presence.